

Privacy Act Notification - continued

jury lists. The Division of Taxation is also required to transmit to the Department of Human Services (DHS) annually information from New Jersey resident tax returns that will permit DHS to identify individuals who do not have health insurance and who may be eligible for Medicaid or the NJ FamilyCare Program.

Federal/State Tax Agreement

The New Jersey Division of Taxation and the Internal Revenue Service have entered into a Federal/State Agreement to exchange income tax information in order to verify the accuracy and consistency of information reported on Federal and New Jersey income tax returns.

Fraudulent Return

Any person who deliberately fails to file a return, files a fraudulent return, or attempts to evade the tax in any manner may be liable for a penalty up to \$7,500 or imprisonment for a term between three and five years or both.

2011 Form NJ-1040 Line-by-Line Instructions**Name and Address**

Place the peel-off label at the front of this booklet in the name and address section at the top of the return. **Do not use the label if any of the information is incorrect.**

If your label contains inaccurate information or you do not have a label, print or type your name (last name first), complete address, and zip code in the spaces provided. Also include your spouse's/civil union partner's name if filing jointly. Your refund and next year's form will be sent to the address you provide. If your legal residence and the address on the return differ, enclose a statement of explanation to avoid a delay in processing.

Social Security Number

Your social security number(s) is not printed on your name and address label. **You must enter your social security number(s)** in the space provided on the return, one digit in each box. If your filing status is married/CU couple, filing joint return, remember to report both filers' numbers in the order in which the names are listed on the return.

If you (or your spouse/civil union partner) do not have a social security number, file Form SS-5 with the Social Security Administration to apply for one. Taxpayers who are not eligible for a social security number must file Form W-7 with the Internal Revenue Service to obtain an individual taxpayer identification number (ITIN). Enter on Form NJ-1040 the same number (social security number or ITIN) that you entered on your Federal income tax return. If you (or your spouse/civil union partner) applied for but have not received an ITIN by the return due date, enclose a copy of your Federal Form W-7 application with your New Jersey income tax return.

NOTE: A copy of Form W-7 (or W-7A) cannot be used in place of a valid social security number, ITIN, or ATIN for a dependent when completing Line 13, Dependents' Information.

County/Municipality Code

Enter your four-digit county/municipality code, one digit in each box, from the table on page 51. This code identifies the county and municipality of your current residence. The county and municipality codes in these instructions are for Division of Taxation purposes only.

If the local name of the place where you live is not listed, enter the code for the municipality where the property taxes were paid on your dwelling. (Go to www.state.nj.us/infobank/locality.htm for a listing of local names in the State and the county and municipality in which they are located.)

NJ Residency Status

If you were a New Jersey resident for only part of the taxable year, list the month, day, and year your residency began and the month, day, and year it ended. All months should be listed as two-digit numbers with the digits 01 for January, 02 for February, 03 for March, etc. Place the correct number for the beginning and ending months directly in the boxes containing the letter "M," one digit in each box.

The days of the months should be listed as two-digit numbers beginning with the digits 01 for the first day of the month and ending with the digits 31 for the last day of the month. Place the correct number for the beginning and ending dates directly in the boxes containing the letter "D," one digit in each box.

For calendar year filers the year should be entered as 11 and the numbers placed directly in the boxes containing the letter "Y," one digit in each box. Fiscal year filers should enter the appropriate year in the "Y" boxes.

Filing Status (Lines 1–5)

In general, you must use the same filing status on your New Jersey return as you do for Federal income tax purposes, unless you are a partner in a civil union. Indicate the appropriate filing status. Fill in only **one** oval.

TAX TIP

Partners in a civil union recognized under New Jersey law **must file** their New Jersey income tax returns using the same filing statuses accorded spouses under New Jersey Gross Income Tax Law. Civil union partners may not use the filing status single. Any reference in this booklet to a spouse also refers to a partner in a civil union (CU) recognized under New Jersey law. More information on civil unions, including legally sanctioned same-sex relationships established outside New Jersey, can be found on the Division's Web site (www.state.nj.us/treasury/taxation/).

Single. Your filing status is single if you are unmarried or not a partner in a civil union on the last day of the tax year, and you do not qualify for head of household or qualifying widow(er)/surviving CU partner status (see page 18).

Married/Civil Union Couples. If a married couple files a joint Federal income tax return, they must also file a joint New Jersey income tax return. If spouses file separate Federal returns, separate State returns must also be filed. However, if

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Filing Status (Lines 1-5) - continued

you are a civil union couple, your filing status for New Jersey will not match your Federal filing status for the year.

If during the entire taxable year one spouse/civil union partner was a resident and the other a nonresident, the resident may file a separate New Jersey return. The resident computes income and exemptions as if a Federal married, filing separate return had been filed. The spouses/civil union partners have the option of filing a joint return, in which case their joint income would be taxed as if both were residents.

If you are filing separately, be sure to enter the social security number of your spouse/civil union partner in the boxes provided at the top of the tax return.

NOTE: You may file jointly or separately only if you were married or a partner in a civil union on the last day of the tax year.

Head of Household. If you meet the requirements to file as head of household for Federal income tax purposes, you may file as head of household for New Jersey. Certain married individuals/civil union partners living apart may file as head of household for New Jersey if they meet the requirements to file as head of household for Federal purposes.

Qualifying Widow(er)/Surviving CU Partner. If your spouse/civil union partner died during the year, you may file a joint return for the two of you provided you did not remarry or enter into a new civil union before the end of the year. You may be eligible to use the filing status "qualifying widow(er)/surviving CU partner" for each of the *two tax years after the year in which your spouse/civil union partner died* if you pay more than one-half of the cost of keeping up a home for yourself and at least one child, stepchild, adopted child, or foster child who qualifies as your dependent.

Domestic Partners. If you were a member of a domestic partnership registered in New Jersey, you are not considered to be married or in a civil union. Do not use either the joint or separate filing statuses at Lines 2 and 3. However, if you also

entered into a legally sanctioned same-sex relationship outside New Jersey, you may still be able to use the joint or separate filing statuses for married/CU couples. For more information, see the Division's Web site (www.state.nj.us/treasury/taxation/) and Tax Topic Bulletin GIT-4, *Filing Status*.

Exemptions - Personal

Line 6 - Regular Exemptions

As a taxpayer you may claim a personal exemption for yourself, even if you are a minor who is claimed as a dependent on your parents' return. For your convenience, "Yourself" is already filled in. If you are married or in a civil union and filing a joint return, fill in the spouse/CU partner oval as well.

If you were a member of a domestic partnership that was registered in New Jersey on the last day of the tax year, you may claim an exemption for your domestic partner **only if he or she does not file a New Jersey income tax return.** *You must enclose a copy of your New Jersey Certificate of Domestic Partnership the first time you claim the exemption, and you may be asked to provide additional information at a later date.* If you are claiming this exemption, fill in the domestic partner oval. Add the number of ovals filled in and enter the result in the box on Line 6.

Line 7 - Age 65 or Older

If you were 65 years of age or older on the last day of the tax year, you are eligible for an additional exemption. If you are filing a joint return, an additional exemption is also available if your spouse/civil union partner was 65 years of age or older on the last day of the tax year. This exemption is not available for a domestic partner or for your dependents. *You must enclose proof of age such as a copy of a birth certificate, driver's license, or church records with your return the first time you claim the exemption(s).* Fill in the appropriate oval(s). Add the number of ovals filled in and enter the result in the box on Line 7.

Line 8 - Blind or Disabled

If you were blind or disabled on the last day of the tax year, you are eligible for an additional exemption. If you are filing a joint return, an additional exemption is also available if your spouse/civil union partner was blind or disabled on the last day of the tax year. This exemption is not available for a domestic partner or for your dependents. "Disabled" means total and permanent inability to engage in any substantial gainful activity because of any physical or mental impairment, including blindness. *You must enclose a copy of the doctor's certificate or other medical records with your return the first time you claim the exemption(s).* This information need not be submitted each year provided there is no change in your condition. Fill in the appropriate oval(s). Add the number of ovals filled in and enter the result in the box on Line 8.

Exemptions - Dependency

Line 9 - Dependent Children

You may claim an exemption for each dependent child who qualifies as your dependent for Federal income tax purposes. Enter the number of your dependent children in the box on Line 9.

Line 10 - Other Dependents

You may claim an exemption for each other dependent who qualifies as your dependent for Federal income tax purposes. Enter the number of your other dependents in the box on Line 10.

Line 11 - Dependents Attending Colleges

You may claim an additional exemption for each dependent claimed on Line 9 or 10 if all the requirements below are satisfied. **This exemption is not available to you or your spouse/civil union partner or your domestic partner.**

Requirements

- ♦ Student must be **under 22 years of age** for the entire tax year. (This means that the student's 22nd birthday will not occur until 2012 or later.)
- ♦ Student must attend full-time. "Full-time" is determined by the institution.

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Line 11 - Dependents Attending Colleges - continued


- ♦ Student must spend at least some part of each of five calendar months of the tax year at school.
- ♦ The educational institution must be an accredited college or postsecondary institution, maintain a regular faculty and curriculum, and have a body of students in attendance.
- ♦ You must have paid one-half or more of the tuition and maintenance costs for the student. Financial aid received by the student is not calculated into your cost when totaling one-half of your dependent's tuition and maintenance. However, the money earned by students in College Work Study Programs is income and is taken into account.

Enter the number of exemptions for your qualified dependents attending colleges in the box on Line 11.

Line 12 - Totals

Add Lines 6, 7, 8, and 11 and enter the total in the box on Line 12a. Add Lines 9 and 10 and enter that total in the box on Line 12b.

Line 13 - Dependents' Information

TAX TIP  You must enter on Line 13 the full name, social security number, and year of birth for each dependent child or other dependent claimed on Lines 9 and/or 10.

You must also fill in the oval for each dependent who does *not* have health insurance coverage (including NJ FamilyCare/Medicaid, Medicare, private, or other health insurance) on the date you file the return. **Do not fill in the oval for any dependents who have health insurance.** This information will be transmitted to the New Jersey Department of Human Services and will be used to identify and reach out to residents who are uninsured to make them aware of the availability of health care coverage under the Medicaid and NJ FamilyCare Programs.

If you have more than four dependents, enter the required information for the first four dependents on Lines 13a - d

and enclose a statement with the return listing the information for the additional dependents.

The dependents you list must be the same persons who qualify as your dependent children or other dependents for Federal income tax purposes. Enter the same social security number, individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN) for each dependent that you entered on your Federal return. If you do not provide a valid social security number, ITIN, or ATIN for a dependent claimed on Lines 9 and/or 10, the exemption will be disallowed.

To obtain an ATIN, file Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, with the Internal Revenue Service. See page 17 for information on obtaining a social security number or ITIN.

NOTE: If you qualify for the New Jersey earned income tax credit (see the instructions for Line 50) and you listed a "qualifying child" on your Federal Schedule EIC who is not claimed as your dependent for New Jersey purposes, you must enter on Line 13 the child's name, social security number, and birth year.

Gubernatorial Elections Fund

The Gubernatorial Elections Fund, financed by taxpayer designated \$1 contributions, provides partial public financing to qualified candidates for the office of Governor of New Jersey. With its contribution and expenditure limits, the Gubernatorial Public Financing Program has since 1977 assisted 67 candidates to conduct their campaigns free from the improper influence of excessive campaign contributions. Operation of the program has also permitted candidates of limited financial means to run for election to the State's highest office. As a condition of their receipt of public financing, candidates must agree to participate in two debates which provide the public with an opportunity to hear the views of each candidate. For more information on the Gubernatorial Public Financing Program, contact the New Jersey

Election Law Enforcement Commission at 1-888-313-ELEC (toll-free within New Jersey) or 609-292-8700 or write to:

NJ ELECTION LAW ENFORCEMENT COMMISSION
PO Box 185
TRENTON NJ 08625-0185


Lists of contributors to gubernatorial candidates and copies of reports filed by gubernatorial candidates may be viewed on the Election Law Enforcement Commission Web site at: www.elec.state.nj.us.

Participation in the \$1 income tax check-off protects the continuity and integrity of the Gubernatorial Elections Fund by providing that funds will be reserved for future gubernatorial elections thereby deterring the use of needed funding for other purposes. If you want to designate \$1 to go to help candidates for governor pay campaign expenses, fill in the "Yes" oval in the Gubernatorial Elections Fund section of the return. If you are filing a joint return, your spouse/civil union partner may also designate \$1 to this fund.

Filling in the "Yes" oval will not in any way increase your tax liability or reduce your refund.

Income (Lines 14-25)

Gross income means all income you received in the form of money, goods, property, and services unless specifically exempt by law. As a New Jersey resident you must report all taxable income you receive, whether from New Jersey or not, on your return.

TAX TIP  **Important! A net loss in any category of income cannot be reported as such on Form NJ-1040. A loss within one category of income may be applied against other income within the same category. However, a net loss in one category of income cannot be applied against income or gains in another. In the case of a net loss in any category, make no entry on the corresponding line. No carryback or carryover of losses is allowed under New Jersey law.**

If you have income that is taxed both by New Jersey and by another jurisdiction outside of New Jersey, you may be eligible

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